



AOT in Action

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

A Message from Director Sherry Henry:

Good afternoon,

Save the dates! September 16 – 18! Join us as we celebrate our amazing state at the Arizona Centennial Best Fest in Prescott.

In the first of three Arizona Best Fest events to occur throughout the state, the Arizona Best Fest in Prescott will encompass the largest event footprint in the city's history. Pavilions and villages will include great displays and hands-on activities for everyone! Other features include the Family Fun Zone, the Salute program, the 'best of Arizona' food & beverages, plus local and national entertainment.

A special ceremony to open the festival will be the official unveiling of the USPS Commemorative Arizona Centennial Stamp. Dignitaries attending include Governor Brewer, Prescott Mayor Kuykendall, USPS representatives and the Arizona artist who designed the stamp.

The Arizona Best Fest Series (additional events to be held in Tucson and Phoenix), is driven by Arizona history, cultures, industries, natural resources, military action and innovations. It leads the march to Arizona's 100 Years celebration. Admission is free! For more information, please read the **AOT News** section below.

Have a great week,

Sherry Henry
Director, Arizona Office of Tourism

AOT News

Major Stars Stepping Out at Arizona Best Fest in Prescott

Wayne Newton, Jordin Sparks, Nils Lofgren, Jerry Riopelle, The Tubes Plus a 'Salute to Arizona' Lights up Mainstage Schedule

Big name Arizona-linked entertainers take the Mainstage at Arizona Best Fest in Prescott, September 16-18, headlining a three-day Arizona showcase of history, food, culture, science, and the future.

Historic downtown Prescott serves as the celebrated backdrop to the Arizona Centennial Signature event, which now boasts a Mainstage lineup featuring:

- Friday, September 16 — Virtuoso rock guitarist Nils Lofgren , and rock 'n roll veterans The Tubes
- Saturday, September 17 — American Idol-turned-superstar songstress Jordin Sparks and the ever popular rhythmic rock/blues artist Jerry Riopelle
- Sunday, September 18 — World renowned Arizona native, also known as 'Mr. Las Vegas' himself, Wayne Newton

Preceding Ms. Sparks on the Mainstage is a historical musical retrospective aptly titled "Salute to Arizona". The evening culminates with a festive fireworks display. Plus Arizona's Official State Historian Marshall Trimble and Arizona's Official State Balladeer Dolan Ellis also will perform on the Mainstage.

Arizona Best Fest Series leads an active calendar of Arizona Centennial Signature Events and Projects. The "best of" celebratory series moves to Tucson and later to Phoenix as it makes its three-city tour to Arizona's three territorial capitals. The Best of Arizona showcase celebrates Arizona's 100 Years, and comprises interactive historic pavilions, cultural villages, a western town, seven stages of entertainment, Arizona artists, food, wine, craft beer and much more. As the first Best Fest event in a series of three, the Prescott event is especially anticipated since the city was the first Arizona Territorial Capital. The event encompasses the beautiful Prescott Courthouse Square in the city's historic downtown.

Another highlight of the three days of festivities, anticipated to attract visitors throughout Arizona, is the unveiling of the **USPS Arizona Centennial Commemorative Stamp** at Prescott's Courthouse Square Friday, September 16, at 4:00 p.m.

For all the latest information, including the entertainment schedule at Arizona Best Fest in Prescott, visit www.AZ100Years.org or the Prescott Daily Courier's dedicated online website for Best Fest <http://touristtreasuresaz.com/main.asp?SectionID=33>.

Upcoming Events & Activities

France Media Mission

Date: September 12 – 16

Location: Paris, France

Montreal Media Mission

Date: September 27– 28

Location: Montreal, QB

Discover America Day - Canada

Date: October 3

Location: Toronto, ON

Industry News

July Demand Increases 3.6%, Reporting Most Roomnights Sold

In July, the U.S. hotel industry reported the largest number of rooms sold during a month, reporting a 3.6% increase over July 2010, according to data from STR. In July, the industry sold more than 105 million roomnights. This is only the second time the industry has sold more than 100 million roomnights in any given month, the last time being July 2010.

Overall the U.S. hotel industry's July occupancy increased 2.9% to 69.9%, average daily rate ended the month up 3.9% to US\$103.09, and revenue per available room rose 6.9% to US\$72.07. Among the chain-scale segments, the luxury segment reported the largest increases in all three key performance metrics. The segment's occupancy rose 3.5% to 74.2%, ADR was up 7.4% to US\$245.89, and RevPAR increased 11.1% to US\$182.52.

The midscale segment reported the only decrease, ending the month virtually flat in ADR with a 0.9% decrease to US\$78.62. Among the top 25 markets, Tampa-St. Petersburg, Florida, reported the largest occupancy increase for July, rising 13.5% to 61.5 percent.

New Orleans, Louisiana, was the only market to report decreases in all three key performance metrics. Its occupancy fell 15.6% to 61.3%, ADR dropped 1.7% to US\$105.45, and RevPAR decreased 17.0% to US\$64.67. San Francisco/San Mateo, California (+17.7% to US\$157.62), and Miami-Hialeah (+10.6% to US\$129.58), achieved the largest ADR increases for the week.

Five top markets experienced RevPAR increases of more than 15 percent: Miami-Hialeah (+23.2% to US\$98.26); San Francisco/San Mateo (+22.1% to US\$138.55); Los Angeles-Long Beach, California (+19.3% to US\$108.66); Phoenix (+18.9% to US\$37.59); and Tampa-St. Petersburg (+18.5% to US\$55.28). (*HotelNewsNow.com, August 22*)

Global Business Travel Spending Set to Rise 9.2 Percent in 2011

The GBTA Foundation, the research arm of the Global Business Travel Association (GBTA), released the Global Business Travel Spending Outlook 2011-2015, a study sponsored by Visa that shows business travel spend around the world increased 8.4 percent in 2010, after falling 7.8 percent in 2009. Moreover, global spending on business travel is projected to grow another 9.2 percent in 2011 to just over \$1 trillion.

According to the study the global economic recovery is occurring at two different speeds and that is reflected in the recovery of global business travel. Compound annual growth in business travel spending in Brazil, Russia, India and China is projected to grow two to three times faster than in developed economies like the U.S., France, Germany and the U.K.

Projected compound annual growth in business travel spend for 2011-2015 will be 11.2 percent for China, 5.4 percent for the U.K., 10.8 percent for India, 3.8 percent for the U.S., 7.1 percent for Russia, 3.3 percent for France, 7 percent for Brazil, and 2.9 percent for Germany.

“The recovery is happening, it's just not happening as quickly as most people would like,” said Michael McCormick, GBTA executive director and COO. “Several countries are seeing the rebound happen at a much faster and more stable pace, and we're seeing that in the pace of business travel spending in the economies of China, India, Russia and Brazil. We're still bullish on business travel and all signs point towards continued growth.”

Global business travel spending bounced back 8.4 percent to \$924 billion in 2010 after falling 7.8 percent in 2009. Global spending on business travel is projected to grow another 9.2 percent in 2011 to just over \$1 trillion. Rapid growth in the developing world is juxtaposed with troubles with debt, real estate, and a slowdown in consumption in the developed world. New patterns of consumption, a relative change in the volume of major trade routes, and industrial innovation have begun to shape a new world order in the patterns, volume, and regional distribution of global business travel.

GBTA has constructed a measure of the current and projected level of business travel – the Business Travel Index (BTI). The global BTI has been derived from total business travel spending and has been indexed on a base year of 2005. The Global BTI currently sits at 133 (2010). It is forecast to grow to 145 through 2011 and should reach 193 by 2015. As a point of comparison, the U.S. BTI was 109 in 2010, whereas in China, India and the U.K. it was 286, 197 and 95, respectively. (*Travel Pulse, August 23*)

AAA Projects 2.4 Percent Decrease in Labor Day Holiday Travel

AAA is forecasting that 31.5 million Americans will travel 50 miles or more from home during the Labor Day holiday weekend, down 2.4 percent from the 32.3 million people who traveled one year ago, in part due to recent economic uncertainty and higher air fares. The Labor Day holiday travel period is defined as Thursday, Sept. 1 to Monday, Sept. 5. While automobile travel is expected to increase slightly, if recent declines in gasoline prices continue through Labor Day, there could be an increase in last-minute holiday weekend travel, according to AAA.

The overall decrease in expected travelers is a result of a mixed economic outlook, consumer uncertainty about the overall economy, and recent downturns in economic factors that affect discretionary income, which is particularly relevant to the travel and tourism industry. Real disposable income is up just 1.3 percent, which is being offset by the travel price index rising 6.7 percent since last year, due primarily to rising transportation costs. The housing market remains depressed, with new and existing home prices down 2.4 percent and 3.4 percent, respectively.

AAA's projections are based on economic forecasting and research by IHS Global Insight. The Boston-based economic research and consulting firm teamed with AAA in 2009 to jointly analyze travel trends during the major holidays. AAA has been reporting on holiday travel trends

for more than two decades. The complete AAA/IHS Global Insight 2011 Labor Day Holiday Travel Forecast can be found at www.AAA.com/news. (*Travel Pulse, August 24*)

US Hotel Business Activity Losing Steam

The U.S. Hotel Industry Leading indicator decreased 0.6% during June after going up by the same amount in May, according to economic research firm e-forecasting.com. The U.S. Hotel Industry Leading indicator, or HIL, is a monthly leading indicator for the U.S. hotel industry that, on average, leads the industry's business activity four to five months in advance. The latest monthly change brought the index to a reading of 115.9. The index was set to equal 100 in 2000.

HIL's six-month growth rate, a signal of turning points, was 1.7% in June, nearly half its rate of 3.2% in May. This compares to a long-term annual growth rate of 3.5%, the same as the annual growth rate of the industry's overall business activity.

Five of the nine components that make up Hotel Industry's Leading Indicator had a positive contribution in June: Labor Market Tightness; Hotel Profitability; Interest Rate Spread; New Orders for Manufactured Goods and Oil Prices. Four of the nine components had a negative or zero contribution to Hotel Industry's Leading Indicator in June: Weekly Hours in Hotels; International Visitors Future Demand; Housing Activity and National Vacation Barometer.

"Although as we reported this week the US hotel industry has recently been outshining the U.S. economy, it appears that leading indicators are pointing to a turn down ahead," commented Maria Simos, CEO of e-forecasting.com. "Of note, the two components that cover tourism demand both contributed negatively. Each tourism marketing dollar spent will be of utmost importance to work to stave off some of the negative forces impacting tourism."

The US hotel industry leading indicator, or HIL for short, is a monthly leading indicator for the industry. Building off the tracking success of HIP, the real-time indicator for the U.S. hotel industry, HIL was built as a composite indicator that uses nine different components that, on average, when put together have led the industry four to five months in advance of a change in direction in the industry business cycle. HIL provides useful information about the future direction of the U.S. hotel industry. (*HNN Newswire, August 24*)

Calendar of Events

Visit www.ArizonaGuide.com to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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